



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

**Frank J. Magill,
United States Attorney**

David Anderson, Public Affairs Specialist
(612) 664-5684; cell: (612) 730-2251

News Release

FOR IMMEDIATE RELEASE
Monday, Aug. 11, 2008

Oak Grove couple charged with mail fraud

An Oak Grove couple was charged last week in federal court each with four counts of mail fraud in connection with a scheme to defraud several mortgage lending companies and to obtain money from them by means of false and fraudulent pretenses.

Michelle M. Niska, 41, and Robert G. Bock, 40, were each charged Aug. 4 in Minneapolis. Their indictment alleges that from May 2005 through March 2007 they knowingly and intentionally devised and executed the scheme. The couple purchased a home in May 2005 for \$560,000, and on Sept. 21, 2005, they refinanced the home with Bravo Credit Corp., in the amount of \$593,750.

On April 7, 2006, Niska allegedly filed a fraudulent satisfaction of mortgage with the Anoka County Recorder's Office, which falsely reflected that the Bravo loan had been repaid in full. Then on May 5, 2006, the couple sold the home for \$675,000, \$540,000 of which the buyer borrowed from Equifirst Corp., and \$135,000 of which was a fraudulent "gift of equity" from the couple.

The couple fraudulently induced the title company which closed the sale of the home to pay them approximately \$510,000, even though all of those funds should have been paid to Bravo Credit Corp. The indictment also alleges that the couple never relinquished possession of the home to the buyer.

On May 8, 2006, Niska caused a \$35,000 check funded in part by the \$510,000 in proceeds, to be sent to Bravo to forestall foreclosure on the home and to provide the couple with more time to obtain additional fraudulent loans against it.

On Sept. 12, 2006, the couple caused the buyer to borrow an additional \$135,000 from Timberland Mortgage against the home's false equity created by the couple's fraudulent "gift of equity." On March 29, 2007, the couple caused the buyer to borrow \$577,000 from Homecomings Financial, and to borrow an additional \$150,000 from Citi Mortgage. Each loan was secured by the home and utilized to enable the couple to obtain an additional \$15,296.57 from the scheme.

In total, the couple misappropriated approximately \$690,000 in lender funds from the four credit and mortgage lending companies during the course of the scheme.

If convicted, both Niska and Bock face a potential maximum penalty of 20 years in prison on each count. All sentences are determined by a federal district court judge. This case is the result of an investigation by the United States Postal Inspection Service, and is being prosecuted by Assistant U.S. Attorney David J. MacLaughlin.

–30–

An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.